

Catastrophic Health Care

Analyst: Burns

Historical Summary

OPERATING BUDGET	FY 2002 Total App	FY 2002 Actual	FY 2003 Approp	FY 2004 Request	FY 2004 Gov Rec
BY FUND CATEGORY					
General	9,600,000	9,600,000	8,748,600	12,400,800	10,191,800
Dedicated	735,000	139,400	1,686,400	0	0
Total:	10,335,000	9,739,400	10,435,000	12,400,800	10,191,800
Percent Change:		(5.8%)	7.1%	18.8%	(2.3%)
BY OBJECT OF EXPENDITURE					
Lump Sum	10,335,000	9,739,400	10,435,000	12,400,800	10,191,800

Department Description

Meet the needs of the medically indigent in Idaho who do not qualify for state or federal health and welfare programs, but who qualify for county assistance. The county is responsible for the first \$10,000 in medical bills incurred by the medical indigent in any twelve-month period. The Catastrophic Program is responsible for all medical bills in excess of \$10,000.

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2003 Original Appropriation	0.00	8,748,600	10,435,000	0.00	8,748,600	10,435,000
1. CAT Fund Shortfall	0.00	3,000,000	3,000,000	0.00	3,000,000	3,000,000
Budget Reduction (Neg. Supp.)	0.00	(306,200)	(306,200)	0.00	(306,200)	(306,200)
FY 2003 Total Appropriation	0.00	11,442,400	13,128,800	0.00	11,442,400	13,128,800
Removal of One-Time Expenditures	0.00	0	(1,686,400)	0.00	(1,251,400)	(2,937,800)
Restore Budget Reduction	0.00	306,200	306,200	0.00	0	0
FY 2004 Base	0.00	11,748,600	11,748,600	0.00	10,191,000	10,191,000
Nonstandard Adjustments	0.00	800	800	0.00	800	800
FY 2004 Program Maintenance	0.00	11,749,400	11,749,400	0.00	10,191,800	10,191,800
1. Increased Funding	0.00	651,400	651,400	0.00	0	0
FY 2004 Total	0.00	12,400,800	12,400,800	0.00	10,191,800	10,191,800
Change from Original Appropriation	0.00	3,652,200	1,965,800	0.00	1,443,200	(243,200)
% Change from Original Appropriation		41.7%	18.8%		16.5%	(2.3%)

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2003 Original Appropriation	0.00	8,748,600	1,686,400	0	10,435,000

1. CAT Fund Shortfall

Funding is requested to help cover an anticipated shortfall in the Catastrophic Health Care Fund for fiscal year 2003.

Agency Request	0.00	3,000,000	0	0	3,000,000
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The Governor's Recommendation includes \$1,748,600 in ongoing General Funds and \$1,251,400 in one-time General Funds. The one-time portion will be replaced by the Millennium Fund in fiscal year 2004.

Governor's Recommendation	0.00	3,000,000	0	0	3,000,000
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Budget Reduction (Neg. Supp.)

Reflects General Fund holdback as directed by Executive Order 2002-08 and 2002-09.

Agency Request	0.00	(306,200)	0	0	(306,200)
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Governor's Recommendation	0.00	(306,200)	0	0	(306,200)
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FY 2003 Total Appropriation					
Agency Request	0.00	11,442,400	1,686,400	0	13,128,800
Governor's Recommendation	0.00	11,442,400	1,686,400	0	13,128,800

Removal of One-Time Expenditures

Removes one-time funding from the Millennium Fund.

Agency Request	0.00	0	(1,686,400)	0	(1,686,400)
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Also removes one-time General Fund portion of the supplemental request.

Governor's Recommendation	0.00	(1,251,400)	(1,686,400)	0	(2,937,800)
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Restore Budget Reduction

Agency Request	0.00	306,200	0	0	306,200
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The Governor recommends that reductions made in appropriations in fiscal year 2003 not be restored to the budget base.

Governor's Recommendation	0.00	0	0	0	0
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FY 2004 Base					
Agency Request	0.00	11,748,600	0	0	11,748,600
Governor's Recommendation	0.00	10,191,000	0	0	10,191,000

Nonstandard Adjustments

Reflects adjustments in State Controller and State Treasurer fees.

Agency Request	0.00	800	0	0	800
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Governor's Recommendation	0.00	800	0	0	800
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FY 2004 Program Maintenance					
Agency Request	0.00	11,749,400	0	0	11,749,400
Governor's Recommendation	0.00	10,191,800	0	0	10,191,800

1. Increased Funding

Provides added General Fund support to meet anticipated health care cost needs.

Agency Request	0.00	651,400	0	0	651,400
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Governor's Recommendation	0.00	0	0	0	0
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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2004 Total					
Agency Request	0.00	12,400,800	0	0	12,400,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>10,191,800</i>	<i>0</i>	<i>0</i>	<i>10,191,800</i>
Agency Request					
Change from Original App	0.00	3,652,200	(1,686,400)	0	1,965,800
% Change from Original App		41.7%	(100.0%)		18.8%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>1,443,200</i>	<i>(1,686,400)</i>	<i>0</i>	<i>(243,200)</i>
<i>% Change from Original App</i>		<i>16.5%</i>	<i>(100.0%)</i>		<i>(2.3%)</i>

Catastrophic Health Care Issues & Information

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Strategic Planning Act Performance Measures

Selected Measures	FY 2001 Act	FY 2002 Act	FY 2003 Est	FY 2004 Est
1. Payment of medical bills for qualified medically indigent persons exceeding \$10,000				
a. Amount paid	\$ 11,871,300	\$ 13,943,000	\$ 14,603,000	\$ 14,200,000
b. Number of claims	723	773	954	1,039
c. Cost of average claim	\$ 16,440	\$ 18,037	\$ 13,984	\$ 13,482
d. Amount of largest claim	\$ 242,800	\$ 258,275	\$ 700,000	\$ 650,000
2. Administrative fees and costs				
a. Contract for program administration	\$ 167,400	\$ 169,464	\$ 184,361	\$ 191,235
b. CAT board expenses	\$ 16,900	\$ 15,000	\$ 18,100	\$ 19,000
c. Administrative costs as % of claims paid	1.4%	1.2%	1.3%	1.4%
3. Reimbursements to CAT program from or on behalf of indigents				
a. Amount reimbursed	\$ 1,249,200	\$ 1,417,130	\$ 740,000	\$ 755,000
b. Number of claims	1,067	1,090	925	1,000
c. Amount of average annual reimbursement	\$ 1,170	\$ 1,300	\$ 800	\$ 755

Catastrophic Health Care Fund Analysis

Fiscal Year	Beginning Balance	Gen Fund + Approp.	Other + Adjust.*	Fund - Expend.	Ending = Balance
1992	0	2,200,000	802,200	(435,300)	2,566,900
1993	2,566,900	0	4,100,200	(4,656,500)	2,010,600
1994	2,010,600	0	199,600	(1,988,900)	221,300
1995	221,300	11,977,400	440,800	(11,789,800)	849,700
1996	849,700	7,557,300	863,700	(8,199,600)	1,071,100
1997	1,071,100	9,764,600	1,073,500	(9,272,400)	2,636,800
1998	2,636,800	9,764,600	1,249,500	(10,029,000)	3,621,900
1999	3,621,900	10,135,700	2,074,100	(11,329,600)	4,502,100
2000	4,502,100	5,885,700	2,998,700	(10,522,400)	2,864,100
2001	2,864,100	10,000,000	1,664,700	(11,871,300)	2,657,500
2002	2,657,500	9,600,000	1,788,500	(13,943,000)	103,000
2003 (est)	103,000	11,748,600	2,751,400	(14,603,000)	0
2004 (req)	0	12,400,000	1,800,000	(14,200,000)	0

* Other Adjustments include county contributions, reimbursements, and interest income.